

**ASSEMBLY BILL**

**No. 1642**

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**Introduced by Assembly Members Ridley-Thomas and Wesson**

February 21, 2003

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An act to amend Sections 15372.200, 15372.201, 15372.202, 15372.203, 15372.204, 15372.205, 15372.206, 15372.207, 15372.210, 15372.213, 15372.214, 15372.216, 15372.217, 15372.218, and 15372.219 of, and to repeal Section 15372.209 of, the Government Code, relating to tourism.

LEGISLATIVE COUNSEL'S DIGEST

AB 1642, as introduced, Ridley-Thomas. Tourism: Los Angeles County Tourism Marketing Commission.

Existing law sets forth the duties of the Office of Tourism in the Technology, Trade, and Commerce Agency in promoting tourism in the state.

Existing law requires the Los Angeles County Board of Supervisors to appoint the Los Angeles County Tourism Selection Committee, which performs various duties in the formation of the Los Angeles County Tourism Marketing Commission, a nonprofit corporation under the direction of a board of commissioners elected by industry referendum or appointed according to specified criteria. Existing law sets forth the duties of the county commission in the promotion of tourism to and within the County of Los Angeles and sets forth the procedures for the industry referenda, and for the determination of assessments, penalties, and fines on identified businesses. The Los Angeles County Treasurer/Tax Collector is required to perform various activities in connection with the levying and collection of the assessments, penalties, and fines, upon recommendation by the county

commission, and approval by the board of supervisors. The county commission is required to annually develop and adopt the Los Angeles County Marketing Plan, and to contract with the Los Angeles Convention and Visitors Bureau to serve as its administrative contractor in promoting, implementing, and administering the plan. It is a misdemeanor for a person to provide false information concerning an assessment.

This bill would revise and recast these provisions to, among other things, refer to the county selection committee and county commission as the selection committee and tourism commission, respectively, increase the membership of the commission, and revise the terms of the members of the commission. The bill would also require the first referendum to be conducted in a manner to be determined by the selection committee. It would also revise the procedure for the referendum to terminate the tourism commission and require the commission to collect all assessments.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 15372.200 of the Government Code is
- 2 amended to read:
- 3 15372.200. (a) ~~The Legislature recognizes that, because of~~
- 4 ~~the size and significant economic impact of the tourism industry~~
- 5 ~~on the economy of the County of Los Angeles, it being the second~~
- 6 ~~largest economic activity within the county finds and declares all~~
- 7 ~~of the following:~~
- 8 (1) *Tourism is the second largest economic activity, and the*
- 9 *tourism industry is one of the largest employers within Los Angeles*
- 10 *County.*
- 11 (2) *Tourism within Los Angeles County generates the greatest*
- 12 *volume of travel spending of any county within California.*
- 13 (3) *Because of the size and significant economic impact of*
- 14 *tourism within Los Angeles County upon the economy of the state,*
- 15 *and due to many independent factors, including terrorism, natural*
- 16 *disasters, and crime, that have adversely affected tourism in the*
- 17 *county, it is necessary to empower the tourism industry within the*
- 18 *County of Los Angeles to create a governance structure in order*



1 to foster marketing efforts directed at specifically attracting  
2 tourists to the county.

3 (b) Recognizing the importance of enabling the private-sector  
4 tourism industry within the County of Los Angeles to assess itself  
5 in order to fund tourism marketing efforts, this article shall  
6 authorize the formation of the Los Angeles County Tourism  
7 Selection Committee to be appointed by the Los Angeles County  
8 Board of Supervisors, and the Los Angeles County Tourism  
9 Marketing Commission, the members of which shall be elected by  
10 industry referendum and ex officio appointment, as set forth in this  
11 article.

12 SEC. 2. Section 15372.201 of the Government Code is  
13 amended to read:

14 15372.201. For the purposes of this article, the following  
15 definitions shall apply:

16 (a) ~~“County”~~ *“Tourism commission”* means the Los Angeles  
17 County Tourism Marketing Commission.

18 (b) ~~“County”~~ *“Tourism commissioner”* means a commissioner  
19 of the ~~county~~ *tourism commission*.

20 (c) ~~“County selection”~~ *“Selection committee”* means the Los  
21 Angeles County Tourism Selection Committee described in  
22 Section 15372.202.

23 (d) *“Industry category”* means the classifications within the  
24 tourism industry designated by the ~~county~~ selection committee, or  
25 if not so designated, then as follows:

26 (1) Accommodations.

27 (2) Restaurants and retail.

28 (3) Attractions and recreation.

29 (4) Transportation and travel services.

30 (e) *“Referendum”* means any vote by mail ballot of measures  
31 recommended by the ~~county~~ *tourism commission* in accordance  
32 with the procedure set forth in Section 15372.210.

33 (f) *“Destination marketing organization”* means any  
34 organization within Los Angeles County that promotes travel to a  
35 municipality within the county, including a “convention and  
36 visitors bureau,” “visitors bureau,” or “tourism bureau.”

37 (g) *“Industry coalition”* means a body of destination  
38 marketing organizations and travel and tourism businesses within  
39 Los Angeles County organized for the purposes of this article and

1 *recognized by the selection committee as representative of county*  
2 *destinations and tourism businesses.*

3 SEC. 3. Section 15372.202 of the Government Code is  
4 amended to read:

5 15372.202. (a) The Los Angeles County Board of  
6 Supervisors shall appoint the Los Angeles County Tourism  
7 Selection Committee to consist of persons, or principals of  
8 entities, from within the industry categories that are to be assessed,  
9 based upon recommendations from established industry  
10 associations and destination marketing organizations within Los  
11 Angeles County.

12 (b) ~~The county~~ selection committee shall consist of 24  
13 representatives, with no fewer than three from each industry  
14 category. ~~The county~~ selection committee shall appoint a chair and  
15 any other officers it deems advisable.

16 (c) ~~The county~~ selection committee shall convene ~~within 150~~  
17 ~~days~~ after the effective date of this chapter. Not later than 150 days  
18 following the initial convening of the committee, the committee  
19 shall issue a report and recommendations listing the following:

20 (1) Industry segments that will be included in the initial  
21 referendum.

22 (2) Percentage of funds to be levied against each industry  
23 category and segment. To the extent possible, the percentages shall  
24 be based upon quantifiable industry data. Funds to be levied  
25 against businesses shall bear an appropriate relationship to the  
26 benefit derived from travel and tourism by those businesses.

27 (3) Assessment methodology and rate of assessment within  
28 each industry segment, that may include, but not be limited to, a  
29 percentage of gross revenue or a per transaction charge.

30 (4) Businesses, if any, within a segment to be assessed at a  
31 reduced rate, which may be set at zero, whether temporarily or  
32 permanently, because they do not sufficiently benefit from travel  
33 and tourism.

34 (5) Initial slate of proposed elected *tourism* commissioners.  
35 The number of *tourism* commissioners elected from each industry  
36 category shall be determined by the weighted percentage of  
37 assessments from that category.

38 (d) Nothing in this section shall preclude the selection  
39 committee from setting the assessment rate for a business within  
40 a segment at a lower rate, which may be set at zero, than a rate

1 applicable to other businesses within that segment if the selection  
2 committee makes specific findings that the lower rate should apply  
3 due to unique geographical, financial, or other circumstances  
4 affecting the business. No business for which a zero assessment  
5 rate is set pursuant to this subdivision shall be sent a ballot or  
6 entitled to participate in the initial referendum, or in any  
7 subsequent referendum in which its rate of assessment is set at  
8 zero.

9 (e) The *selection* committee members for each industry  
10 category, also referred to as a subcommittee, shall prepare a  
11 recommendation for the entire committee on how the items  
12 specified in subdivision (c) should be determined for the industry  
13 segments within their industry category. The recommendations  
14 shall not include a discussion of industry category levies, which  
15 shall be determined solely by the committee. In the event that the  
16 subcommittee cannot agree on one or more of the items specified  
17 in subdivision (c), no recommendation shall be given in that  
18 category. The recommendations shall be presented to the full  
19 committee, which shall address each of the items contained in  
20 subdivision (c).

21 (f) In order to be assessed, an industry segment shall be defined  
22 with sufficient clarity to allow for the cost effective identification  
23 of assessed businesses within that segment.

24 (g) It shall be the responsibility of the ~~county~~ selection  
25 committee to advertise widely the selection committee process and  
26 to schedule public meetings for potential assessed businesses to  
27 provide input to the selection committee.

28 (h) The selection committee process and report shall be exempt  
29 from the ~~requirements of the~~ Administrative Procedure Act  
30 (Chapter 3.5 (commencing with Section 11340) of Part 1).

31 (i) The ~~Los Angeles Convention and Visitors Bureau~~ *industry*  
32 *coalition bureau* shall be asked to supply staff support to the  
33 county selection committee. The Office of Tourism within the  
34 *Technology, Trade, and Commerce Agency* shall not be required  
35 to supply staff support to the county selection committee.

36 SEC. 4. Section 15372.203 of the Government Code is  
37 amended to read:

38 15372.203. (a) Based upon the criteria established by the  
39 ~~county~~ selection committee, the ~~county~~ *tourism* commission shall  
40 be established by industry referenda within the county conducted

1 in accordance with subdivision (d) and Section 15372.204, and  
2 shall include certain ex-officio voting members provided for in  
3 subdivision (d).

4 (b) ~~The county tourism~~ commission shall be a private,  
5 nonprofit corporation under the direction of a board of ~~county~~  
6 ~~tourism~~ commissioners. The activities and purposes of the ~~county~~  
7 ~~tourism~~ commission shall be to promote tourism to and within the  
8 County of Los Angeles through marketing and other promotional  
9 efforts.

10 (c) ~~The board of county commissioners~~ *members of the tourism*  
11 *commission* shall function as the board of directors for purposes of  
12 the Nonprofit Corporation Law (Division 2 (commencing with  
13 Section 5000) of Title 1 of the Corporations Code).

14 ~~(d) The board of county commissioners shall consist of 24~~  
15 ~~members to be elected by industry category by referendum, from~~  
16 ~~among individuals who are professionally active in the tourism~~  
17 ~~industry, representing diverse elements of the industry. In~~  
18 ~~addition, the board of county commissioners shall include the~~  
19 ~~salaried chief executive officer of each convention and visitors~~  
20 ~~bureau within Los Angeles County that operates either as a part of~~  
21 ~~municipal government or under contract with any municipality~~  
22 ~~within the county. The elected county commissioners need not be~~  
23 ~~limited to representatives of assessed businesses tourism~~  
24 ~~commission shall consist of 36 members, 24 of whom shall be~~  
25 ~~elected by industry category. Elected members shall be~~  
26 ~~professionally active in Los Angeles County's tourism industry and~~  
27 ~~shall represent diverse elements of the industry. Elected tourism~~  
28 ~~commissioners shall be employed by, or own, an assessed business.~~  
29 ~~In addition, 12 members shall be appointed by the tourism~~  
30 ~~commission. Appointed members shall be selected from among~~  
31 ~~salaried chief executive officers of destination marketing~~  
32 ~~organizations within Los Angeles County and shall represent~~  
33 ~~diverse areas of the county.~~

34 (e) In the referendum process, regardless of the number of  
35 ballots received for a referendum, the nominee for each ~~county~~  
36 ~~tourism~~ commissioner slot with the most weighted votes, based  
37 upon assessment levels, from businesses within that industry  
38 category shall be elected ~~county~~ *as a tourism* commissioner.  
39 Assessed businesses shall vote only for ~~county~~ *tourism*  
40 commissioners representing their industry category.

(f) All elected ~~county~~ *tourism* commissioners shall serve ~~three-year~~ *four-year* terms, except that ~~one-third~~ *one-half* of the ~~county~~ *tourism* commissioners originally elected shall serve a ~~one-year~~ *two-year* term, ~~one-third~~ shall serve a ~~two-year~~ term, and the remainder shall serve a ~~three-year~~ *four-year* term. Every ~~year~~ *two-years* thereafter, ~~one-third~~ *one-half* of the ~~county~~ *tourism* commissioners shall be elected by industry ~~referendum~~ *election*. No ~~county~~ *elected tourism* commissioner may serve for more than two consecutive terms. *All appointed commissioners shall serve at the pleasure of the tourism commission.*

(g) In the event that a ~~county~~ *tourism* commissioner resigns, dies, or is removed from office during his or her term, the ~~county~~ *tourism* commission shall appoint a replacement from the same industry category that the previous ~~county~~ *tourism* commissioner represented, and that ~~county~~ *tourism* commissioner shall fill the remaining term of the previous ~~county~~ *tourism* commissioner.

(h) The ~~county~~ selection committee shall determine the initial slate of candidates for elected ~~county~~ *tourism* commissioners *and identify chief executive officers of destination marketing organizations as qualified to serve on the tourism commission.* Thereafter, the ~~county~~ *tourism* commissioners, by adopted resolution, shall nominate a slate of candidates, ~~and for election to the commission~~, shall include any additional candidates who may be placed on the referendum by assessed businesses under a procedure to be adopted by the ~~county~~ *tourism* commission *and shall identify chief executive officers of destination marketing organizations as qualified to serve on the tourism commission.*

(i) The ~~county~~ *tourism* commissioners shall annually, within 60 days before commencement of the fiscal year of the ~~county~~ *tourism* commission, elect from among the ~~county~~ *tourism* commissioners a chair, vice-chair, secretary, and chief financial officer.

(j) No person shall receive compensation as a ~~county~~ *tourism* commissioner, but each ~~county~~ *tourism* commissioner shall *be eligible to receive reimbursement from county assessments for reasonable expenses incurred while on authorized* ~~county~~ *tourism* commission business.

SEC. 5. Section 15372.204 of the Government Code is amended to read:



1 15372.204. (a) The ~~county~~ *tourism* commission shall be a  
2 private, nonprofit corporation, and shall not be part of state or  
3 county government, nor be construed in any other manner as a  
4 public entity.

5 (b) No person employed by the ~~county~~ *tourism* commission  
6 shall be a state or county employee.

7 (c) The procedures adopted by the ~~county~~ *tourism* commission  
8 shall not be subject to the Administrative Procedure Act (Chapter  
9 3.5 (commencing with Section 11340) of Part 1).

10 SEC. 6. Section 15372.205 of the Government Code is  
11 amended to read:

12 15372.205. (a) Not later than six months following its  
13 formation, the ~~county~~ *tourism* commission shall adopt procedures  
14 concerning the operation of the ~~county~~ *tourism* commission in  
15 order to provide due process rights for assessed businesses.

16 (b) The ~~county~~ *tourism* commission shall annually provide to  
17 all assessed businesses a report on the activities and budget of the  
18 ~~county~~ *tourism* commission including, but not limited to, income  
19 and expenses, the fund balance, a Summary Los Angeles County  
20 Tourism Marketing Plan, and a report of progress in achieving the  
21 goals set forth in the plan.

22 (c) The ~~county~~ *tourism* commission shall maintain a report on  
23 the percentage assessment allocation between industry categories  
24 and industry segments. The report shall also specify the reasons  
25 and methodology used for the allocations. This report shall be  
26 updated each time the assessment allocations are amended. The  
27 report shall be made available to any assessed business, but all  
28 confidential information provided shall remain confidential and  
29 not be released to any person or entity unless authorized by the  
30 ~~county~~ *tourism* commission.

31 (d) (1) The ~~county~~ *tourism* commission shall annually  
32 prepare, or cause to be prepared, a Los Angeles County Tourism  
33 Marketing Plan. The county commission may amend the plan at  
34 any ~~county~~ *tourism* commission meeting. All expenditures by the  
35 ~~county~~ *tourism* commission shall be consistent with the marketing  
36 plan.

37 (2) The plan shall promote travel to and within Los Angeles  
38 County, and shall include, but need not be limited to, the  
39 following:

40 (A) An evaluation of the previous year's budget activities.



1 (B) Review of state, county, and local tourism trends,  
2 conditions, and opportunities.

3 (C) Target audiences for tourism marketing expenditures.

4 (D) Marketing strategies, objectives, and targets.

5 (E) Budget for the current year.

6 (3) In developing the plan, the ~~county~~ *tourism* commission  
7 shall, to the maximum extent feasible, do both of the following:

8 (A) Seek advice and recommendations from all segments of the  
9 county's travel and tourism industry and from all geographic  
10 regions of the county.

11 (B) Harmonize, as appropriate, the plan with the travel and  
12 tourism marketing activities and objectives of the various industry  
13 segments and geographic regions.

14 (e) The ~~county~~ *tourism* commission may establish committees  
15 and may appoint noncommissioners to its committees.

16 SEC. 7. Section 15372.206 of the Government Code is  
17 amended to read:

18 15372.206. ~~County~~ *Tourism* commissioners and employees  
19 of the ~~county~~ *tourism* commission shall not be individually liable  
20 in any way to any person for any good faith activity of the ~~county~~  
21 *tourism* commission, ~~county~~ *tourism* commissioners, or  
22 employees.

23 SEC. 8. Section 15372.207 of the Government Code is  
24 amended to read:

25 15372.207. The ~~county~~ *tourism* commission may be  
26 terminated at any time after the initial four years of operation by  
27 referendum of the assessed businesses. ~~Notice~~ *This referendum*  
28 *shall be authorized when a petition signed by owners or chief*  
29 *executive officers of at least 10 percent of assessed businesses is*  
30 *submitted to the tourism commission at least six months prior to*  
31 *the next scheduled tourism commission ballot. If the referendum to*  
32 *terminate the tourism commission is approved by a majority of*  
33 *weighted votes, notice of the termination shall be mailed to all*  
34 *assessed businesses. Upon termination, the* ~~county~~ *tourism*  
35 *commission shall continue its existence as a nonprofit corporation*  
36 *for purposes of winding up its affairs and dissolution.*

37 SEC. 9. Section 15372.209 of the Government Code is  
38 repealed.

39 ~~15372.209. (a) The county commission shall recommend the~~  
40 ~~assessments approved by the industry referendum to the board of~~

1 ~~supervisors. Upon approval by the board of supervisors, the Los~~  
2 ~~Angeles County Treasurer/Tax Collector shall collect all~~  
3 ~~assessments so approved. In that collection effort, the county~~  
4 ~~treasurer/tax collector may utilize its police powers, and pursue~~  
5 ~~actions and penalties set forth in Article 8 (commencing with~~  
6 ~~Section 15372.120) in the collection of all county assessments.~~

7 ~~(b) Direct and actual expenses associated with the collection of~~  
8 ~~assessments by the county commission or the county treasurer/tax~~  
9 ~~collector shall be reimbursed from the assessments collected.~~

10 SEC. 10. Section 15372.210 of the Government Code is  
11 amended to read:

12 15372.210. (a) No referendum required under this article  
13 shall be undertaken until any of the following occurs, whichever  
14 is earliest:

15 (1) A statewide referendum held pursuant to this chapter has  
16 obtained a passing vote in the County of Los Angeles.

17 (2) Two statewide referenda have been held pursuant to this  
18 chapter.

19 ~~(3) July 1, 1998.~~

20 (b) Referenda required under this article shall be conducted in  
21 a similar manner as provided in Article 6 (commencing with  
22 Section 15372.100) except as follows:

23 (1) ~~The county~~ *tourism* commission shall undertake all duties,  
24 and act in all respects, in place of the California Tourism  
25 Marketing Commission, and either the county or the county  
26 treasurer/tax collector, as designated in this article, shall act in  
27 place of the Secretary of *Technology*, Trade, and Commerce.

28 (2) The initial assessment target for the ~~county~~ *tourism*  
29 commission shall be set by the ~~county~~ selection committee.

30 (3) The first referendum shall be initiated ~~by industry~~  
31 ~~members, and conducted in a manner to be determined by the~~  
32 ~~selection committee~~, with all costs of marketing and promoting of  
33 the initial referendum to be provided by the ~~tourism~~ industry  
34 *coalition. Subsequent referenda shall be conducted similarly,*  
35 *except that the tourism commission shall pay for these costs.*

36 (4) Each referendum may cover one or more of the following  
37 subjects:

38 (A) Assessment level based upon specified assessment  
39 formula.

40 (B) Amended industry segment allocation formulae.

1 (C) Percentage allocation of assessments between industry  
2 categories and segments.

3 (D) Election of ~~county~~ *tourism* commissioners subject to  
4 election by referendum.

5 (E) Termination of the ~~county~~ *tourism* commission.

6 (F) Whether to establish, continue, or reestablish an  
7 assessment.

8 (5) The costs of all marketing and promoting of all referenda  
9 following the initial referendum shall be paid by the ~~county~~  
10 *tourism* commission from assessments collected. The ~~county~~  
11 *tourism* commission may reimburse those who have contributed  
12 to the costs of the initial referendum from proceeds raised from  
13 assessments collected from the initial referendum.

14 (6) (A) *Each assessed business shall be entitled to a weighted*  
15 *vote in each referendum. In calculating weighted votes, each*  
16 *assessed business receives a vote equal to the relative assessment*  
17 *paid by that business. For example, a business paying one*  
18 *thousand dollars (\$1,000) in annual assessments would have twice*  
19 *the weighted vote of a business paying five hundred dollars (\$500).*  
20 *Weighted votes shall be used to determine all issues on the*  
21 *referendum. The initial referendum, and any referendum item to*  
22 *terminate the tourism commission, shall be approved by a majority*  
23 *of the weighted votes cast at the referendum. The amount of*  
24 *assessment and selection of elected tourism commissioners is*  
25 *determined by the most weighted votes, whether or not there is a*  
26 *majority.*

27 (B) *For purposes of voting in any referendum, each assessed*  
28 *business is part of one industry category and one industry segment,*  
29 *and for voting purposes only, a business with revenue in more than*  
30 *one industry category or industry segment shall only be included*  
31 *in the category and segment in which it earns the most gross*  
32 *revenue from tourism.*

33 (C) *Each assessed business is eligible to vote for each item on*  
34 *the referendum, except that an assessed business may only vote for*  
35 *tourism commissioners representing its industry category, and*  
36 *industry segment formulae for its industry segment.*

37 (D) *A business shall not eligible to vote unless it has paid all*  
38 *assessments and fines outstanding as of a date established by the*  
39 *tourism commission.*

(7) *The California Office of Tourism within the Technology, Trade, and Commerce Agency shall not be required to pay for any county referendum authorized by this chapter.*

SEC. 11. Section 15372.213 of the Government Code is amended to read:

15372.213. Assessments shall be set by the ~~county~~ *tourism* commission, as follows:

(a) Each industry category shall establish a committee to determine the following within its industry category: industry segments, assessment formulae for each industry segment, and any type of business exempt from assessment. The committees shall be selected by the ~~county~~ *tourism* commission based upon recommendations from the tourism industry. Committee members need not be commission members.

(b) The committee recommendations shall be presented to the ~~county~~ *tourism* commission. The ~~county~~ *tourism* commission may adopt a resolution specifying one or more of the items listed in subdivision (a), plus an allocation of the proposed assessment. The ~~county~~ *tourism* commission shall consider the recommendations of any committee.

(c) The initial industry category and industry segment allocations shall be as set in the Selection Committee Report required by subdivision (b) of Section 15372.66. Changes to the industry segment allocation formulae may be recommended to the ~~county~~ *tourism* commission by a segment committee. At the same meeting, the county commission may amend the percentage allocations among industry categories. Any item discussed in this section that is approved by resolution of the ~~county~~ *tourism* commission, except amendments to the percentage allocations among industry categories, shall be placed on the next referendum, and adopted if approved by the weighted majority of votes cast. All industry segment members shall be subject to any duly approved assessments.

(d) Upon approval by referendum, ~~and recommendation to the county by the county tourism commission, the county treasurer/tax collector~~ shall calculate the assessments due for each assessed business and mail an assessment bill to each assessed business. The ~~county treasurer/tax collector~~ *tourism commission* may stagger the assessment collection throughout the year, and charge businesses a prorated amount of assessment based on the staggered

1 assessment period. ~~The county treasurer/tax collector~~ *tourism*  
 2 *commission* shall not divulge the amount of assessment or  
 3 weighted votes of any assessed businesses, except as part of an  
 4 assessment action. *Direct and actual expenses associated with the*  
 5 *collection of assessments shall be reimbursed from the assessments*  
 6 *collected.*

7 (e) *Notwithstanding any other provision of law, an assessed*  
 8 *business may pass on some or all of the assessment to customers.*  
 9 *An assessed business that is passing on the assessment may, but*  
 10 *shall not be required to, separately identify, itemize, or consolidate*  
 11 *the assessment with other tourism taxes or assessments on any*  
 12 *document provided to a customer. Assessments levied pursuant to*  
 13 *this chapter are not part of gross receipts or gross revenue for any*  
 14 *purpose, including the calculation of sales or use tax and income*  
 15 *pursuant to any lease. However, assessments that are passed on to*  
 16 *customers shall be included in gross receipts for purposes of*  
 17 *income and franchise taxes.*

18 (f) *The tourism commission may, by written contract, accept a*  
 19 *voluntary assessment from any person in a travel or*  
 20 *tourism-related business who is not an assessed business. The*  
 21 *contract shall apply solely to the person in question and not to any*  
 22 *other person in a travel or tourism-related business who is not an*  
 23 *assessed business. The contract shall provide that the voluntary*  
 24 *assessment be equivalent to the assessment that would be levied if*  
 25 *the person were an assessed business under this chapter; shall*  
 26 *permit the business to vote on any referendum conducted under this*  
 27 *chapter as if that person were an assessed business, shall permit*  
 28 *the business to nominate one of its employees or owners for*  
 29 *election as a tourism commissioner, and shall have a term*  
 30 *concurrent with the effective period of any referendum on which*  
 31 *the person votes. Individual voluntary assessments under this*  
 32 *section shall be enforceable only under the terms of the respective*  
 33 *contracts to which they pertain. This section shall not be construed*  
 34 *to preclude donations to, or cooperative marketing activities of*  
 35 *any kind with, the commission.*

36 SEC. 12. Section 15372.214 of the Government Code is  
 37 amended to read:

38 15372.214. An assessed business may appeal an assessment  
 39 to the ~~county~~ *tourism* commission upon the basis that the business  
 40 does not meet the definition established for an assessed business

1 within its industry segment, or that the level of assessment is  
2 incorrect. If the error is based upon failure of the business to  
3 provide the required information in a timely manner, the ~~county~~  
4 *tourism* commission may recommend to the county a fine to be  
5 collected by the county treasurer/tax collector as a condition of  
6 correcting the assessment.

7 SEC. 13. Section 15372.216 of the Government Code is  
8 amended to read:

9 15372.216. (a) ~~The county treasurer/tax collector~~ *tourism*  
10 *commission* shall collect the assessment from all assessed  
11 businesses, and, in collecting an assessment, may bring  
12 enforcement actions.

13 (b) Funds collected shall be deposited into an account or  
14 accounts for the benefit of the ~~county~~ *tourism* commission, ~~subject~~  
15 ~~to the county treasurer/tax collector's authority under Section~~  
16 ~~15372.209 to reimburse his or her office for direct and actual~~  
17 ~~expenses associated with the collection of assessments.~~ These  
18 accounts shall not be accounts of the state or county government.

19 (c) ~~The county treasurer/tax collector~~ *tourism commission* shall  
20 mail to each business identified pursuant to subdivision (a) of  
21 Section 15372.213 a form requesting information necessary to  
22 determine the assessment for that business. Any business failing  
23 to provide this information in a timely manner shall be assessed an  
24 amount determined by the ~~county treasurer/tax collector~~ *tourism*  
25 *commission* to represent the upper assessment level for that  
26 segment.

27 (d) The assessed funds shall be audited annually.

28 (e) The assessed funds shall be under the control of the ~~county~~  
29 *tourism* commission, which shall spend the funds consistent with  
30 commission policies and the Los Angeles County Tourism  
31 Marketing Plan. Neither the state nor the county shall have any  
32 interest in the fund except the general interest that the state has in  
33 nonprofit corporations.

34 (f) Direct and actual expenses incurred by the county in  
35 implementing this article shall be reimbursed from the assessed  
36 funds.

37 SEC. 14. Section 15372.217 of the Government Code is  
38 amended to read:

39 15372.217. (a) Any assessment levied as provided in this  
40 article is a debt of the business so assessed and shall be due and



payable at the direction of the ~~county treasurer/tax collector~~  
*tourism commission*. If any assessed business fails to pay any  
assessment, the ~~county treasurer/tax collector~~ *tourism commission*  
may file a complaint in a state court of competent jurisdiction for  
the collection of the assessment.

(b) If any assessed business that is duly assessed pursuant to this  
article fails to pay the assessed amount by the due date, the ~~county~~  
~~treasurer/tax collector~~ *tourism commission* may add to the unpaid  
assessment an amount not to exceed 10 percent of the unpaid  
assessment to defray the cost of enforcing the collection of the  
unpaid assessment. In addition to payment for the cost of enforcing  
a collection, the assessed business shall pay a penalty equivalent  
to the lesser of either the maximum amount authorized by Section  
1 of Article XV of the California Constitution or 5 percent for each  
30 days the assessment is unpaid, prorated over the days unpaid,  
commencing 30 days after the notice has been given to the assessed  
business of its failure to pay the assessment on the date required,  
unless the ~~county treasurer/tax collector~~ *tourism commission*  
determines that the failure to pay is due to reasonable cause beyond  
the control of the assessed business.

(c) (1) The ~~county treasurer/tax collector~~ *tourism commission*  
may require assessed businesses to deposit in advance the  
following amounts:

(A) An amount for necessary expenses.

(B) An amount that shall not exceed 25 percent of the  
assessment to cover costs that are incurred prior to the receipt of  
sufficient funds from the assessment.

(2) The amount of any deposit that is required shall be based  
upon the estimated assessment for the assessed business.

(d) In lieu of requiring advance deposits, or in order generally  
to provide funds for defraying administrative expenses or the  
expenses of implementing the Los Angeles County Tourism  
Marketing Plan until sufficient moneys are collected for this  
purpose from the payment of the assessments that are established  
pursuant to this article, the ~~county~~ *tourism commission* may  
receive and disburse for those express purposes, contributions that  
are made by assessed businesses. However, if collections from the  
payment of established assessments are sufficient, the ~~county~~  
*tourism commission* may authorize the repayment of



1 contributions, or authorize the application of the contributions to  
2 the assessment obligations of persons who made the contributions.

3 (e) Upon termination of the ~~county~~ *tourism* commission, any  
4 remaining funds that are not required to defray commission  
5 expenses shall be returned, upon a pro rata basis, to all persons  
6 from whom the assessments were collected.

7 (f) Any check or warrant that is drawn against the funds of the  
8 ~~county~~ *tourism* commission that remains unclaimed or uncashed  
9 for a period of six months from the date of issuance shall be  
10 canceled and the money retained for disbursement to the original  
11 payee or claimant upon satisfactory identification for a period of  
12 one year from the time the check or warrant is canceled. The  
13 money so retained, if not claimed within the period of one year,  
14 shall be used for administration of the ~~county~~ *tourism* commission  
15 and in furtherance of the Los Angeles County Tourism Marketing  
16 Plan.

17 SEC. 15. Section 15372.218 of the Government Code is  
18 amended to read:

19 15372.218. The ~~county~~ *tourism* commission shall separately  
20 contract with ~~the Los Angeles Convention and Visitors Bureau~~ *a*  
21 *destination marketing organization* to serve as its administrative  
22 contractor in the promotion, implementation, and administration  
23 of the Los Angeles County Marketing Plan adopted by the ~~county~~  
24 *tourism* commission. If the ~~county~~ *tourism* commission believes  
25 that the administration of the county marketing plan will be  
26 promoted thereby, the commission may borrow money, with or  
27 without interest, to carry out the provisions of the county  
28 marketing plan, and may hypothecate anticipated assessment  
29 collections.

30 SEC. 16. Section 15372.219 of the Government Code is  
31 amended to read:

32 15372.219. This article is subject to Article 8 (commencing  
33 with Section 15372.120) and Article 9 (commencing with Section  
34 15372.130), except that, as to Article 8, either the county or the  
35 county treasurer/tax collector, as designated in this article, shall act  
36 in the place of the Secretary of *Technology, Trade, and Commerce*  
37 in all respects.